Group Profit and Loss Account for the year ended 31st March 1979

	Notes	1979 £m	1978 £m
Sales		**1053·0**	883·8
Trading profit	2	**109·8**	102·9
Income from short term investments		**9·1**	7·0
Interest paid	3	**(3·6)**	(2·3)
Exchange loss on net current assets of overseas subsidiaries		**(2·3)**	(·6)
Profit before taxation		**113·0**	107·0
Taxation	4	**35·6**	33·3
Profit after taxation		**77·4**	73·7
Attributable to minority interests		**·5**	·7
Profit attributable to shareholders before extraordinary item		**76·9**	73·0
Extraordinary item	5	**·3**	—
Profit attributable to shareholders after extraordinary item		**76·6**	73·0
Dividends			
Excess provision relating to 1977 third interim		**—**	(·1)
Interim paid of 2·5p per share		**8·9**	3·8
Final proposed of 3·5p per share (1978 second and third interim)		**12·5**	6·9
6·0p per share			
Profit retained	6	**55·2**	62·4
Earnings per share	7	**21·6p**	20·5p

The notes on pages 21 to 26 form part of the accounts. A statement of movements of reserves, including prior year adjustments reflecting changes in accounting policies particularly as regards deferred taxation, is shown in note 9 on page 23.

Balance Sheets 31st March 1979

		Notes	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
Sources of capital	Shareholders' interests					
	Share capital	8	**89·2**	89·0	**89·2**	89·0
	Reserves	9	**320·8**	260·0	**199·4**	152·4
			410·0	349·0	**288·6**	241·4
	Borrowed money	10	**54·8**	34·8	**38·6**	24·1
	Minority interests		**2·5**	3·5	**—**	—
	Provision for pensions	11	**6·0**	7·7	**5·5**	7·2
			473·3	395·0	**332·7**	272·7
Employment of capital	Fixed assets	12	**266·2**	224·0	**73·7**	52·0
	Subsidiaries	13	**—**	—	**148·5**	115·8
	Investments	14	**17·8**	1·0	**10·0**	1·0
	Deferred taxation	15	**4·5**	7·2	**4·4**	7·1
	Net current assets	16	**184·8**	162·8	**96·1**	96·8
			473·3	395·0	**332·7**	272·7

G. I. HOBDAY | Directors
D. E. M. APPLEBY |

The notes on pages 21 to 26 form part of the accounts

Sources and Applications of Funds for the year ended 31st March 1979

		1979 £m	1979 £m	1978 £m	1978 £m
Sources	Profit before taxation		113·0		107·0
	Depreciation		13·3		12·7
	Book value of fixed assets sold		4·4		2·5
	Disposal of subsidiaries (note a)		1·8		—
	Extraordinary item		(·3)		—
			132·2		122·2
	Issue of ordinary shares		1·6		—
	Borrowed money		38·9		25·3
			172·7		147·5
Applications	Capital expenditure		56·2		40·1
	Investments:				
	Subsidiaries (note b)	7·0		25·3	
	Associated companies	10·4		—	
	Partnership	6·7		—	
			24·1		25·3
	Working capital:				
	Increase in stocks	47·9		24·9	
	Increase in debtors	7·7		8·2	
	Increase in creditors	(26·1)		(11·1)	
			29·5		22·0
	Repayment of borrowed money		14·9		·1
	Payment to Boots Pension Fund		1·7		1·6
	Dividends paid		15·8		10·0
	Taxation paid		34·0		26·3
	Other applications		1·2		·2
			177·4		125·6
Decrease (1978 increase) in net cash and short term investments			(4·7)		21·9
			172·7		147·5

Note (a) Disposal of subsidiaries comprises fixed assets £0·2m and net working capital £2·6m less minority interests £1·0m.

(b) Investment in new subsidiaries comprises fixed assets £1·0m, goodwill £1·8m and net working capital £4·2m.

Annual Report
for the year ended 31st March 1979

Contents

FRONT COVER:
The City of Nottingham, famous the world over for its lace, tobacco, bicycles and, of course, for being the home of The Boots Company. In addition to the familiar landmarks of Nottingham Castle (foreground) and the Council House (centre right) there can now be seen many modern office blocks, including the distinctively shaped City Gate House (extreme left)—recently opened offices for some of the Company's operational activities.

Notice of the Annual General Meeting

Notice is hereby given that the annual general meeting of The Boots Company Ltd. will be held at The Chartered Insurance Institute, 20 Aldermanbury, London, EC2V 7HY, on Thursday the 19th day of July 1979, at 11.00 a.m. (A location map is available from the Secretary on request.)

The business of the meeting will be:

(a) To receive the directors' report and statement of accounts and the auditors' report thereon.

(b) To elect directors.

(c) To appoint auditors.

(d) To fix the remuneration of auditors.

(e) To transact any other business which may be dealt with at the meeting.

Notes

1. A member entitled to attend and vote may appoint one or more proxies (who need not be members) to attend and vote instead of him.
2. A statement of transactions of directors (and of their family interests) in the shares of the company will be available for inspection at 1 Thane Road West, Nottingham, on any weekday (Saturdays excluded) from the 21st June to 18th July 1979, during usual business hours, and at the above address on 19th July 1979 from 10.30 a.m. until the conclusion of the meeting.
3. No director of the company has a written service agreement.

By order of the board, D. N. EDMUNDSON, Secretary.

Dated this 21st day of June 1979.

The directors would be glad to have an opportunity of meeting shareholders who will be attending.

Coffee will be served prior to the meeting from 10.30 a.m.

Board of Directors

Chairman	G. I. Hobday
Vice chairmen	*M. J. Verey A. D. Spencer
	D. E. M. Appleby *J. H. Arkell, C.B.E. R. N. Gunn H. J. Hann B. Jefferies P. T. Main, M.D. *Lord Redmayne, P.C., D.S.O. *Sir Bernard Scott, C.B.E. F. W. Wright, F.P.S.

*Non-executive directors

Audit committee	M. J. Verey (Chairman) J. H. Arkell, C.B.E. Lord Redmayne, P.C., D.S.O. Sir Bernard Scott, C.B.E.

Secretary	D. N. Edmundson
Registered office	Nottingham, NG2 3AA
Auditors	Peat, Marwick, Mitchell & Co.
Bankers	National Westminster Bank Ltd.

Statement by the Chairman Dr. G. I. Hobday

Although total sales for the Group exceeded £1,000m. for the first time, the outcome of our trading in 1978-79 can only be described as disappointing and the satisfactory results which we expected at the half-way stage were not achieved. Indeed the percentage increases in overall sales and profit reported for the first half of the year were reduced at the year end. We had not expected the year to be an easy one for us and we knew that continuing inflationary pressures on operating costs against a background of persistent economic depression at home and overseas would squeeze profit margins. Nevertheless we had hoped that the momentum of sales increases in recent years would be maintained and that our margins although reduced should enable our profit not to suffer a reduction in real terms. We were on this course at the half-way stage with the promise of fairly good Christmas trading to come. The media tended to give a brighter picture of buoyant Christmas sales than was in fact the case and expectations that retail sales would be reasonably good in the early months of 1979 were frustrated by the very severe weather. In the event our own Christmas sales were rather below budgeted expectation and both sales and profits were severely hit by the transport strike and the weather in our last quarter.

Even governments cannot control the weather and like all retailers we have to put up with its vagaries; in good shopping weather we reap the benefit so perhaps we should not feel too despondent when the weather turns temporarily against us. But strikes are a different matter. None of our staff was involved in the transport strike and indeed all our people responded very well in the emergency and did their utmost to keep our business going. Despite this we were very severely hit by industrial action in the transport companies which do most of the deliveries to our shops and by secondary picketing which disrupted delivery of goods to our warehouses and raw materials to our factories. It is certainly to be hoped that the new Government will do something to protect companies from secondary picketing, this anarchic form of industrial misbehaviour which, as in our case, can do great damage to a company and its staff (many of whom may be good trade-unionists) and inflict great personal inconvenience on the public by denying them services they require when no one of those affected is a party to the trade union dispute or in a position to do anything about it.

Although we were able to maintain our commitment to the N.H.S. by our dispensing service, we lost many sales in our retail stores because of our inability to replace stock and even after the transport strike officially ended the effects of the disruption were being felt in later weeks. Most of these lost sales were not regained by us when the supply position became normal again. Similarly the Industrial Division suffered severely by interruption of the supply of raw materials and components to our factories and by the inability to get exports away; many of these lost export sales were not recovered later. Despite every effort made by the staff to improvise means to keep business going which undoubtedly relieved the situation to some extent, the overall effect of the strike was very damaging.

Shareholders will see that we have included in the Annual Report this year a modified 5-year financial record which now shows the progress of both sides of our business, retail and industrial. Reference has been made in previous reports to our strategy in building up the Industrial Division into a world-wide business principally engaged in the manufacture and marketing of research-based pharmaceuticals and agricultural products. Our business grows as we acquire and develop companies in various countries overseas to extend the well-based operation we have in this country. But more and more we suffer delays and hindrances from regulatory authorities which now exist to control the introduction and sale of medicines and crop-protection agents in most countries of the world. In the year under review apart from frustrated exports already referred to we have experienced some marketing delays which have reduced our sales expectations. Since our expenses continue to rise as we build up our marketing organisations a delay in sales build-up inevitably reduces profit performance temporarily and this is the picture clearly seen in the 5-year record. The present year will not be easy since we face formidable increases in labour costs and prices of raw materials coupled with an increasing reluctance of health services over the world to accept higher prices for pharmaceutical products. Nevertheless we believe that our strategy is correct and we remain confident that by building selectively on the solid and successful base which Industrial Division has already achieved its future prospects are good.

Retail Division is dominated by its operations in this country and is likely to remain so for some considerable time. Performance was satisfactory considering the particular difficulties last year and the current year has started reasonably well despite continuing unseasonal weather and political uncertainty during the Election period. We have, however, set ourselves exacting objectives which call for substantial volume growth although we do not know, at the time of writing, what will be proposed in the new Chancellor's Budget and the effects that this may have upon us during the coming months. It is to be noted that over 90% of our sales are subject to Value Added Tax and any increase in the rates will have an effect on our prices. It would be of great concern to us if higher indirect taxes became operative before compensating reductions in direct taxes put money back into the hands of our customers. In recent years the main threat to our progress has been high price inflation coupled with high wage inflation. The public benefits and retailers prosper from price stability. We shall be watching anxiously to see how the new Government tackles the underlying causes of wage and price inflation.

Progress in our retail operations overseas, which are principally those in Canada, continues according to plan and we anticipate that they will be making a positive contribution to profits before long.

As always it is a pleasure to record the thanks of the Directors to all the members of the staff at home and abroad for their interest in the Company and their services during the year.

We were all very pleased by the conferment of a knighthood on our fellow Director, Bernard Scott, in the New Year's Honours List.

The resignation of Mr. A. G. S. Wilkes from the Board on his retirement from the Company is reported elsewhere. He has been a colleague for a long time and I should like to record my thanks to him for the important contributions he has made to our affairs during his many years of loyal service to our Company.

Mr. J. H. Arkell, C.B.E., one of our non-executive directors will be retiring at the end of the Annual General Meeting having attained the age of 70 years. He has been a most valuable member of our Board and has always taken a strong interest in our Company. We shall all miss his wise counsel and guidance.

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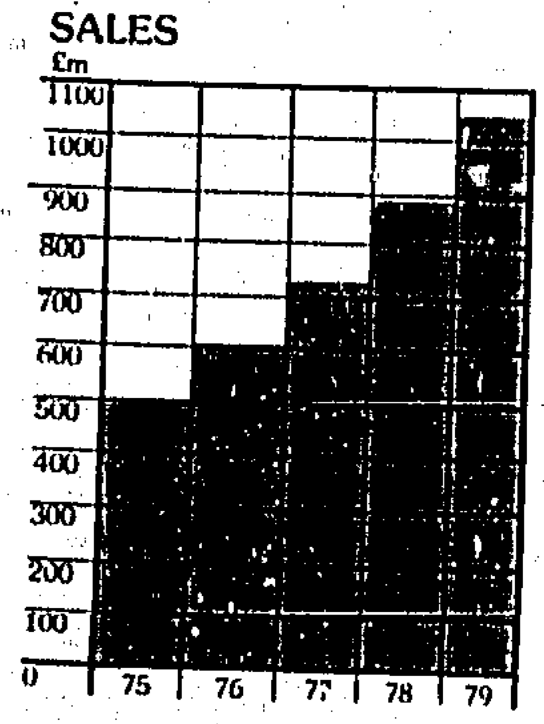
An important highlight of the year was the official visit of His Royal Highness the Duke of Edinburgh to the Company at Beeston. It was a particularly happy occasion and many staff were able to greet the Duke during his Head Office and factories tour.

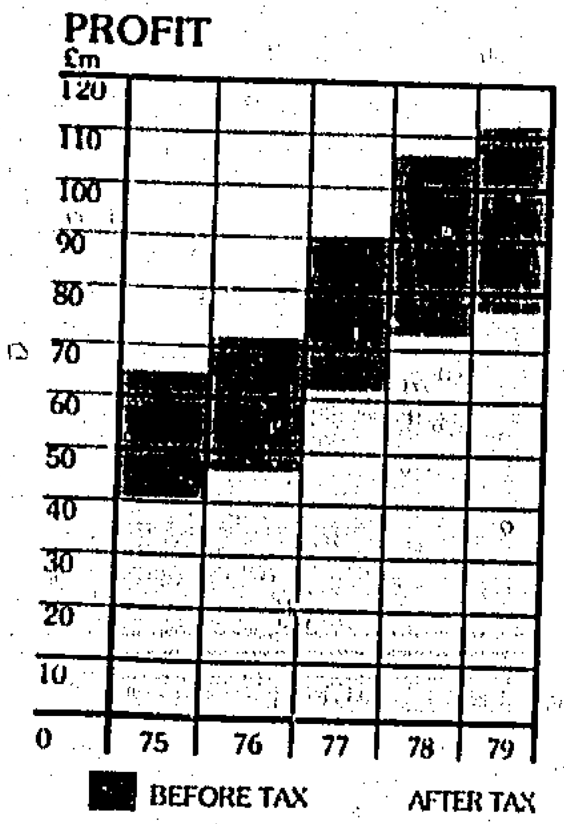
Altogether an eventful year for the Chairman, travelling thousands of miles to meet new colleagues as our overseas interests widened. **1.** *Here he is sharing an informal moment with Wendy Gill of General Reporting Department at the Toronto headquarters of Boots Drug Stores and* **2.** *Dr Hobday with John Beyer, President of Boots Pharmaceuticals Inc. during his visit to Shreveport, Louisiana. Looking on is Director of Pharmaceutical Marketing, Ken Robinson.*

Group Highlights for the year ended 31st March 1979

SALES



PROFIT



			% change over previous year
Sales	Ventes Umsätze	£1053·0m	+ 19·1%
of which:	dont: davon:		
Sales in the UK	Ventes au Royaume Uni Umsätze innerhalb des Vereinigten Königreiches	£ 912·5m	+ 16·0%
*Exports from the UK	Ventes exportées du Royaume Uni Exporte aus dem Vereinigten Königreich	£ 48·0m	+ 8·1%
*Sales by overseas subsidiaries	Ventes des filiales étrangères Umsätze der ausländischen Tochtergesellschaften	£ 108·7m	+ 62·7%
Profit before taxation	Bénéfice avant impôt Gewinn vor Ertragsteuern	£ 113·0m	+ 5·6%
Profit after taxation attributable to shareholders	Bénéfice après impôt revenant aux actionnaires Anteil des Gewinns nach Ertragsteuern, der auf die Aktionäre entfällt	£ 76·6m	
Earnings per share	Bénéfice par action Gewinn pro Aktie	21·5p	
Dividends to shareholders	Dividende proposé Dividendenvorschlag	£ 21·4m	
Retained in the business	Report à nouveau Gewinnvortrag	£ 55·2m	
Capital expenditure during the year	Investissements de l'année Investitionen während des Jahres	£ 56·2m	

*Includes sales within the group totalling £16·2m.

Value Added Statement for the year ended 31st March 1979

	1979 £m	1979 £m	1979 %	1978 £m	1978 £m	1978 %
Sales		1053·0			883·8	
Less cost of materials and services purchased		726·9			607·0	
Value added by trading		326·1			276·8	
Income from short term investments		9·1			7·0	
Exchange loss on net current assets of overseas subsidiaries		(2·3)			(·6)	
Extraordinary item		(·3)			—	
Total value added		332·6			283·2	
Shared as follows:						
Employees						
Wages, salaries, profit earning bonus and pension fund contributions		203·0	61·0		161·2	56·9
Governments						
Taxation on profits		35·6	10·7		33·3	11·8
Reinvested in the business						
Depreciation	13·3			12·7		
Profit retained	55·2			62·4		
		68·5	20·6		75·1	26·5
Providers of capital						
Interest paid	3·6			2·3		
Minorities share of profit	·5			·7		
Dividends to shareholders	21·4			10·6		
		25·5	7·7		13·6	4·8
		332·6	100·0		283·2	100·0

Report of the Directors

The directors of The Boots Company Limited present their ninety-first annual report to shareholders, together with the audited accounts for the year ended 31st March 1979. The review of the year set out on pages 10 to 17 should be regarded as part of this report.

Group results

The company's consolidated profit and loss account for the year ended 31st March 1979 (with 1978 comparisons) includes the following details:

	1979 £m	1978 £m
Trading profit	**109·8**	102·9
Profit before taxation	**113·0**	107·0
Profit after taxation	**77·4**	73·7

Further details are shown in the profit and loss account on page 18.

Deferred taxation

The new UK accounting standard for deferred taxation issued in October 1978 has been adopted in arriving at the charge for taxation. Comparative figures for 1978 have been adjusted to reflect this change in policy. The directors are of the opinion that expenditure on fixed assets and stocks will be maintained at levels sufficient to ensure that no deferred taxation liability other than that provided will become payable for a considerable period.

Appropriations

The directors recommend the payment of a final dividend of 3·5p per share which, when added to the interim dividend of 2·5p already paid, makes a total dividend for the year of 6·0p per share. HM Treasury has indicated that formal consent will be given for the payment of this dividend. The payment of these dividends requires £21·4m (1978 £10·7m), leaving £55·2m (1978 £62·4m) retained in the business.

Principal activities

The principal activities of the group are retailing of chemist and other merchandise and the research, manufacturing and marketing of pharmaceuticals, toiletries, and agricultural chemicals throughout the world.

Sales and trading profits are shown below:

	1979		1978	
	Sales £m	**Trading profits £m**	Sales £m	Trading profits £m
Retail Division	**907·0**	**67·3**	757·2	60·2
Industrial Division	**238·2**	**41·2**	208·0	40·3
Sales within the group	**(92·2)**	**—**	(81·4)	—
	1053·0	**108·5**	883·8	100·5
Other gains/losses	**—**	**1·3**	—	2·4
	1053·0	**109·8**	883·8	102·9
Sales and trading profits earned by geographical area are:				
Africa and Near East	**17·8**	**3·1**	17·1	4·5
Australasia	**11·8**	**2·2**	10·7	2·4
Asia	**15·5**	**3·5**	14·0	3·3
Americas	**60·5**	**5·7***	23·8	6·8*
Europe	**34·9**	**10·6**	31·5	9·0
UK	**912·5**	**83·4**	786·7	74·5
	1053·0	**108·5**	883·8	100·5

*Including royalties of £3·0m (1978 £3·0m)

Finance

During the year new borrowings amounted to £38·9m which included an issue of 30m $6\frac{3}{4}$% convertible US dollar bonds due 1993. Borrowings repaid were £14·9m. These include the issue of ordinary shares at 216p resulting from conversion of $3·2m of $6\frac{3}{4}$% convertible bonds 1993.

Fixed assets

The directors are of the opinion that the market values of the properties of the group, which are all employed in the business, are substantially in excess of the net book value of £148·6m which together with movements of fixed assets, is shown in note 12 on page 24.

Accounting for inflation

A statement of group profits prepared under the current cost accounting convention, based on the interim recommendation of the Accounting Standards Committee—the Hyde guidelines, is shown on page 28. On this basis group profit before taxation is £93·3m (1978 £88·1m), and profit after taxation is £57·7m (1978 £54·8m). The profit after taxation attributable to the shareholders is £57·0m (1978 £54·2m).

Employees

The average weekly number of employees in the UK during the year was 68,755 (1978, 67,044) which included 30,654 part time staff (1978, 30,321). The aggregate remuneration paid to these employees was £158·5m (1978 £131·1m).

The number of overseas employees was 5,123 (1978, 4,137). The 25 African employees of our South African company, are paid above the SLL. Further information is available on request to the Secretary.

Charitable donations

Donations for charitable and educational purposes in the UK during the year totalled £205,000 (1978 £137,000). There were no political payments.

Directors

The names of the directors and their interests in the share and loan capital of the company are shown on page 32.

Mr. A. G. S. Wilkes resigned from the board on 31st December 1978, on his retirement from the company.

Mr. J. H. Arkell, C.B.E., having attained the age of 70 years, will vacate his office as a director at the conclusion of the annual general meeting and does not offer himself for re-election.

Mr. M. J. Verey retires by rotation in accordance with article 100 and offers himself for re-election. Mr. Verey has been a non-executive director of the board for the last 15 years and is now a vice-chairman. At his retirement in 1977 he was chairman of Schroders Ltd. He is deputy chairman of Commercial Union Assurance Co. Ltd., a director of British Petroleum Co. Ltd. and a number of other companies.

No director had any interest, either during or at the end of the financial year, in any contract which was significant in relation to the group business.

Auditors

It is proposed to re-appoint Messrs. Peat, Marwick, Mitchell & Co., as auditors and resolutions concerning their re-appointment and remuneration will be proposed at the annual general meeting.

By order of the board
D. N. Edmundson, Secretary,
21st May 1979.

Review of the Year--Retail Division

Divisional Board

A. D. Spencer, *Managing Director (Chairman)*	J. M. T. Ross, F.P.S.
K. Ackroyd, M.P.S.	G. R. Solway
D. Cargill	B. H. C. Theobald
H. J. Hann	F. W. Wright, F.P.S.
G. M. Hourston, M.P.S.	K. R. Whitesides, *Secretary*

Divisional Results

	1979 Sales £m	1979 Trading profits £m	1978 Sales £m	1978 Trading profits £m
UK	**858·5**	**69·1**	743·0	60·3
Overseas subsidiaries	**48·5**	**(1·8)**	14·2	(·1)
	907·0	**67·3**	757·2	60·2

Boots The Chemists

Counter sales for the year increased by 16%, well over a third of which was real volume increase. This final result was adversely affected by a difficult fourth quarter when the severe winter and various industrial disputes—most notably the road hauliers' strike—combined to disrupt both supplies and sales. January and February results were extremely disappointing, but once the weather improved and consumer confidence revived in the second half of March, sales picked up well and have continued strongly into the new financial year. In spite of these problems, real growth in 1978/79 was the highest for the last five years, as might be expected in a year of increased disposable income and single figure inflation.

The first results of a further market research study on the image of Boots The Chemists are extremely encouraging. We continue to enjoy the highest customer traffic of any major High Street outlet in the land. Apart from our national distribution which makes us available to 97% of the population the main reason for our popularity continues to be the value which we offer. This is seen as a combination of reasonable prices, wide selection and good quality of merchandise, all available in a pleasant environment, which makes shopping a pleasurable as well as a necessary activity.

Another vital element in our value image is our Own Brands. These extend far beyond the very successful ranges of medicines, cosmetics and toiletries which we manufacture ourselves. Indeed this year we have opened an enlarged and newly equipped Quality Assurance establishment with up to date laboratories for Electronics Engineering, Electrical and Mechanical Engineering, Materials Sciences, Textile Technology and Paper and Packaging Technology. These laboratories will enable us to maintain and improve quality standards for the very wide range of bought in Own Brands as well as assessing and monitoring the quality of proprietary products.

Customer awareness of the newer ranges, only available in our larger shops, has improved significantly and as our Shop Development Programme brings more of these larger shops on stream, their potential to bring us extra growth is enhanced.

Dispensing

Over 56 million prescriptions were dispensed in our branches last year and this is again an increase over the previous year. Almost all of these prescriptions were dispensed under the Health Service and we have to say that we believe the country gets very good value for its money so far as the pharmaceutical service provided by retail pharmacies is concerned. The real profitability of the N.H.S. dispensing business gives cause for some concern and we hope that the protracted negotiations between the Pharmaceutical Services Negotiating Committee and the Government, dealing with remuneration, will soon be satisfactorily resolved.

The retail chemist makes a contribution to the Health Service over and above his dispensing role. Every day his advice is sought on treatment for minor ills and the payment for this is the profit the chemist makes on medicines he sells over his counter. We believe, therefore, that the maintenance of retail prices on medicines, attacks on which have been made during the year, is in the public interest and should continue.

Timothy Whites

Timothy Whites has enjoyed a very successful year's trading despite the problems of the last quarter, sales having increased by 15%.

Increasing emphasis has been given throughout the chain to Kitchenware and Tableware, following the experiments in a limited number of branches which began in 1975. In order to reinforce our specialism and authority in these areas on the High Street, *new in-store decor* appropriate to this merchandise has transformed the appearance of 14 branches in recent months. Initial results from these branches are encouraging.

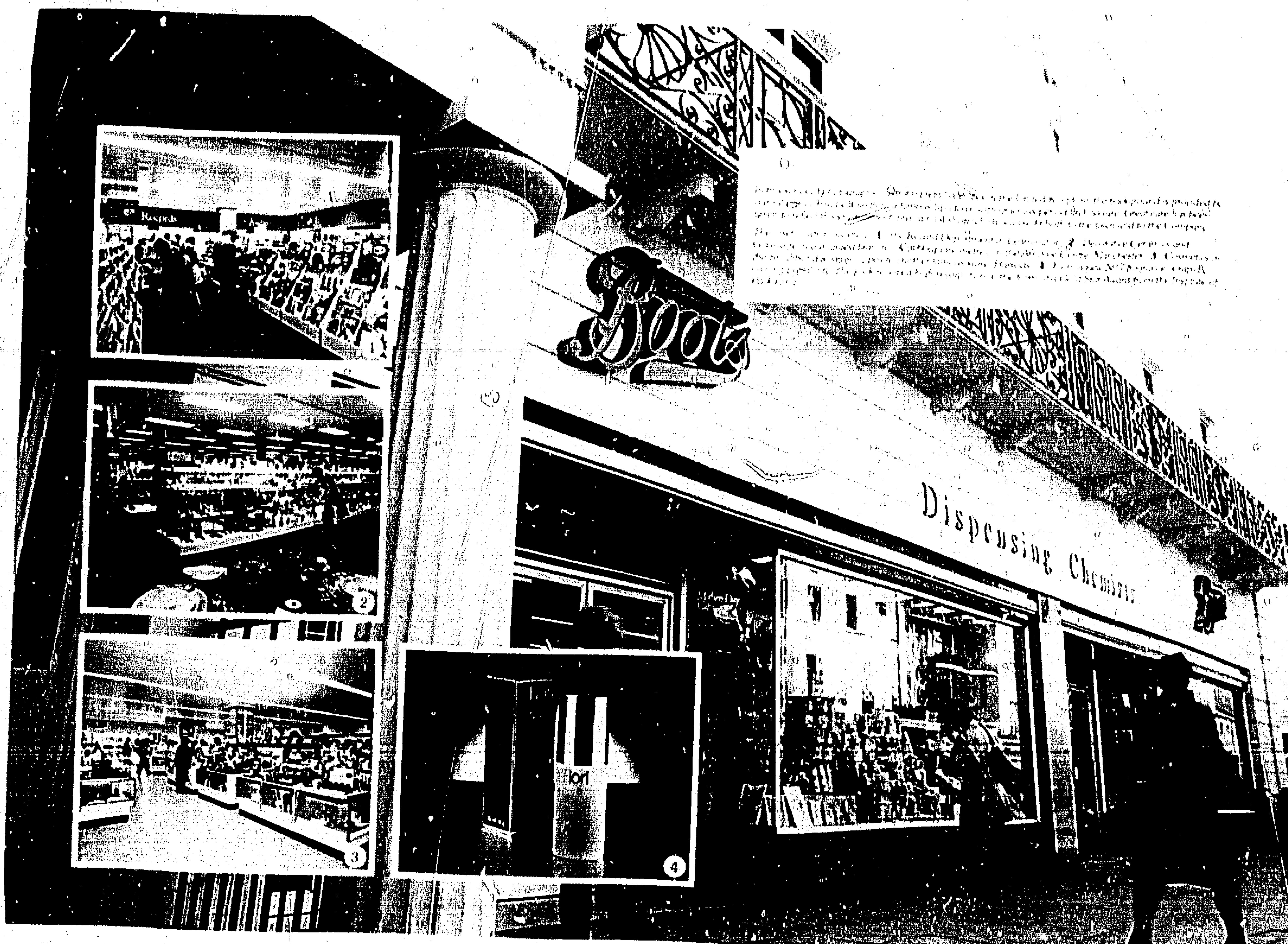
The exterior of branches will also receive attention. Experiments are now being conducted on shop fascias using a new colour scheme which will link with the new in-store image. If experiments are successful we also hope to modify the majority of shop fascias during the current financial year.

Boots Drug Stores (Canada) Limited

The acquisition of Isaacs Pharmacy which was mentioned in the last report took place in June. Since then we have acquired McDermotts Drug Mart—a small chain of 7 stores based in Toronto. We now have 148 stores in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. A further 11 stores are planned to open this year—7 in Ontario and 4 in the Western Provinces.

Management effort has been directed toward improving the stores—appearance, merchandise and operational systems have all been enhanced. Staff have been involved in training courses aimed at developing their knowledge of the merchandise and systems and above all customer service.

The enhancement programme was sufficiently advanced by October to allow the introduction of the Boots name. Accordingly, in Ontario we now appear as Boots Drug Stores and the Western stores will follow in the next few months. Boots Own Brand lines have been introduced, many of which are manufactured for us in Canada.


Boots
Dispensing Chemists

Review of the Year—Retail Division

We have used our first full year in Canada to consolidate the foundation for the future and we have made significant progress.

Boots The Chemists (New Zealand) Limited
During the year we have rationalised and strengthened our retail operation in New Zealand. The small Babyboots operation which comprised three branches has been discontinued and the branches disposed of. We have also disposed of an unprofitable pharmacy at Invercargill.

We have now appointed a Chief Executive (Retail) from the UK to develop the business in the nine remaining pharmacy branches. We have extended and re-fitted the branch in Christchurch and during the year we shall be doing similar work in Lower Hutt, Auckland, Porirua and Wellington.

B.H.Y.S. (Sephora) France
Sales in our one store in Paris increased by 17% representing substantial volume growth and resulting in a modest profit for the first time.

We now have even greater confidence that this specialist shop, concentrating upon Cosmetics, Toiletries and Fashion Accessories appeals to French customers and we are, therefore, the more frustrated that there have been such long delays in our finding suitable premises for additional stores further to test the concept and share the administrative overheads of this small Company. However, we have now signed leases for two additional shops and hopefully they will be trading towards the end of 1979.

Property Development
Boots The Chemists
Last year, capital investment in new and modernised shops amounted to over £28m and an additional 12,050 square metres of net selling space were added, bringing the total to over 402,000 square metres. This net gain in space was less than in recent years although the aggregate of new and re-fitted sales areas remained high at over 31,000 square metres. The new store in Manchester is now our largest with a sales area of 4,300 square metres. Major stores were also opened in Altrincham, Colchester, Kettering, Leamington and Taunton. In addition, major extensions have been carried out in Bristol, Huddersfield and Wakefield. The year has also seen further progress in our plans to improve and increase the number of standard chemist shops. Thirty eight of these were modernised and transferred to new premises including a replacement branch in Knightsbridge. A number of small shops were closed but some of these, which were inadequate for our type of business, were sold to other chemists, thereby helping to maintain a local pharmaceutical service. At the year end we had 1,159 shops, a net decrease of 50.

During the current financial year we are undertaking a particularly demanding development programme involving more than 70 shops and with a budgeted expenditure of over £40m. New large stores will be opened in Ashford, Brighton, Hammersmith, Maidenhead, Milton Keynes, Neath, Newbury, Swansea, Worthing and Yeovil. Major extensions will be carried out at Carlisle, Crawley, Croydon, Hamilton, Middlesbrough and Plymouth. In addition, we plan to transfer to new premises in Piccadilly Circus.

Timothy Whites
During the year we have carried out sales area improvements to 14 Timothy Whites' shops, including Basingstoke, Basildon and Gloucester. During the next year we intend to improve a further 94 branches. We currently have 143 branches with a sales area of 32,532 square metres.

Warehousing and Distribution
The department has responded well to the increased demands of the last twelve months and has continued to provide a reliable and efficient service, both to the Retail and Industrial Divisions, whilst maintaining the ratio of the cost of Warehousing and Distribution to the value of the goods supplied.

For some time significant emphasis has been placed on the training and development of the individual. This has now been recognised by the Distributive Industries Training Board in granting to the department the Distributive Training Award, which is only received after a high standard of training performance is achieved.

The black spot of the year was the transport drivers' strike which badly hit supplies, both into the warehouses and to branches. The dispute highlighted the Company's vulnerability to industrial action of this nature because of the large volume of the merchandise we distribute throughout the United Kingdom. The service to our customers inevitably suffered, but our own staff responded extremely well to the crisis both during the event and in the recovery period, and matters would have been much worse without their willing co-operation.

Looking ahead, planning is now well advanced on the expansion of the Warehousing and Distribution facilities to enable us to cater for the growth of the Company business in the eighties and improve operating efficiency.

Staff
Throughout the Division, both at home and overseas, we seek to pursue a policy in staff administration which encourages participation, motivation, self development and career opportunity supported by modern and appropriate training techniques. Of course, this philosophy which has served the UK Companies well for many years is tempered by local practice and employment legislation abroad. The presence of senior UK trained executives in all our developing overseas companies encourages the introduction of enlightened attitudes.

During the past year members of the Divisional Board have visited our branches in Canada, New Zealand and France and have contributed to a greater understanding of the Division's broad policy among those staff.

At home the number of staff employed in Boots The Chemists and Timothy Whites has increased marginally during the year to 52,402 as a consequence of our Shop Development programme. Approximately 54% work part-time, this permits greater flexibility and efficiency and allows us to vary staffing levels according to business needs.

As our ranges of merchandise increase, Staff Training concentrated on improving product knowledge of goods, many of which require high technical expertise at point of sale. For more senior staff our programmes of training in supervisory skills have continued. Management training, both within the Company and at outside business schools, has been extended.

Consultation with staff through local Staff Committees and the Retail Central Staff Council has been maintained and has contributed positively to the formulation of policy. The views of experienced staff on proposals by management are of immense practical value.

The nature of our retail business causes it to be one of the most complex in the world. Our efficiency depends on the enthusiastic support and loyalty of the staff in branches, in warehouses, in buying offices and in central administration. The Directors acknowledge gratefully their contribution to the Division's progress.


Drug Stores
Pay Here Please

Review of the Year—Industrial Division

Divisional Board

P. T. Main, *Managing Director (Chairman)*
R. N. Gunn
E. E. Cliffe
A. H. Hawksworth
R. A. Johnson
I. F. Kent
S. A. B. Kipping
K. T. Robinson
J. H. Wilson
I. A. Hawtin, *Secretary*

Divisional Results

	1979 Sales £m	1979 Trading profits £m	1978 Sales £m	1978 Trading profits £m
UK	**130·0**	**14·4**	111·0	14·2
Exports	**48·0**	**15·8**	44·4	17·0
Overseas subsidiaries	**60·2**	**11·0**	52·6	9·1
	238·2	**41·2**	208·0	40·3

Introduction

The Industrial Division is responsible for the Company's world-wide marketing of pharmaceuticals, agrochemicals and consumer products either through its own subsidiary or affiliate companies or through exports from the United Kingdom to local agencies and distributors. The Division is also responsible for the Company's research, development, production and quality control departments. It has a total staff of 12,600 of whom about 3,000 are located outside the United Kingdom.

The financial year under review has been a disappointing one. All parts of the Division were greatly affected during the last quarter by the secondary effects of industrial disputes—firstly the tanker drivers' dispute and later the road hauliers' strike. Although our own personnel were not involved in these disputes and it was still possible to supply essential medicines, other supplies both in the United Kingdom and to export markets were virtually brought to a halt. In some manufacturing areas we were forced to lay off staff during part of this period. Sales and profits lost during the strikes were not totally recovered when the industrial disputes came to an end. The Division's profitability has also been affected by greatly increased labour costs.

Research and Development

Our Research and Development Department has continued its work aimed at the world-wide registration of our new antirheumatic product, Froben, for the treatment of the more severe forms of rheumatic diseases, but the process of product registration has become more prolonged in many parts of the world in recent years.

The development of our insecticide and miticide, amitraz, sold under the trade marks Mitac for crop uses and Taktic for animal uses, has continued. As a result of new field trial information its use has been greatly extended to include the control of pests in cotton.

A new broad spectrum fungicide synthesized in our laboratories is showing considerable promise in field trials for the control of fungal diseases in cereals and other crops. An extensive programme of development is under way which will take some years to complete.

The first phase of a new building programme for our Research and Development Departments will be ready for occupation this year at a cost of about £3 million. The Division remains committed to expanding its Research and Development, particularly on the pharmaceutical side, and will be occupying new buildings and recruiting new scientists over the next few years.

Manufacturing

In our own factories we manufacture a very wide range of products for sale principally in branches of Boots The Chemists in the United Kingdom and also specialist products for world-wide use in medicine and agriculture, mainly resulting from our own Research and Development.

In some sectors our facilities provide an appreciable proportion of total United Kingdom capacity. For example our Printing Department is possibly the largest in-house printing works in the country; the volume of cosmetics and toiletries produced makes us one of the largest manufacturers in Europe and our Tablet Factory is amongst the largest and most up-to-date of its kind in the world.

Two new chemical plants have recently come on stream. One makes an intermediate for Brufen and the other produces amitraz which is the basic ingredient for Mitac and Taktic. Our recently built plants for synthetic organic chemicals of high unit value, such as ibuprofen and amitraz, are computer controlled and have evoked great interest in the industry.

During July we were honoured to receive His Royal Highness, The Duke of Edinburgh, who visited two of our production units at Beeston.

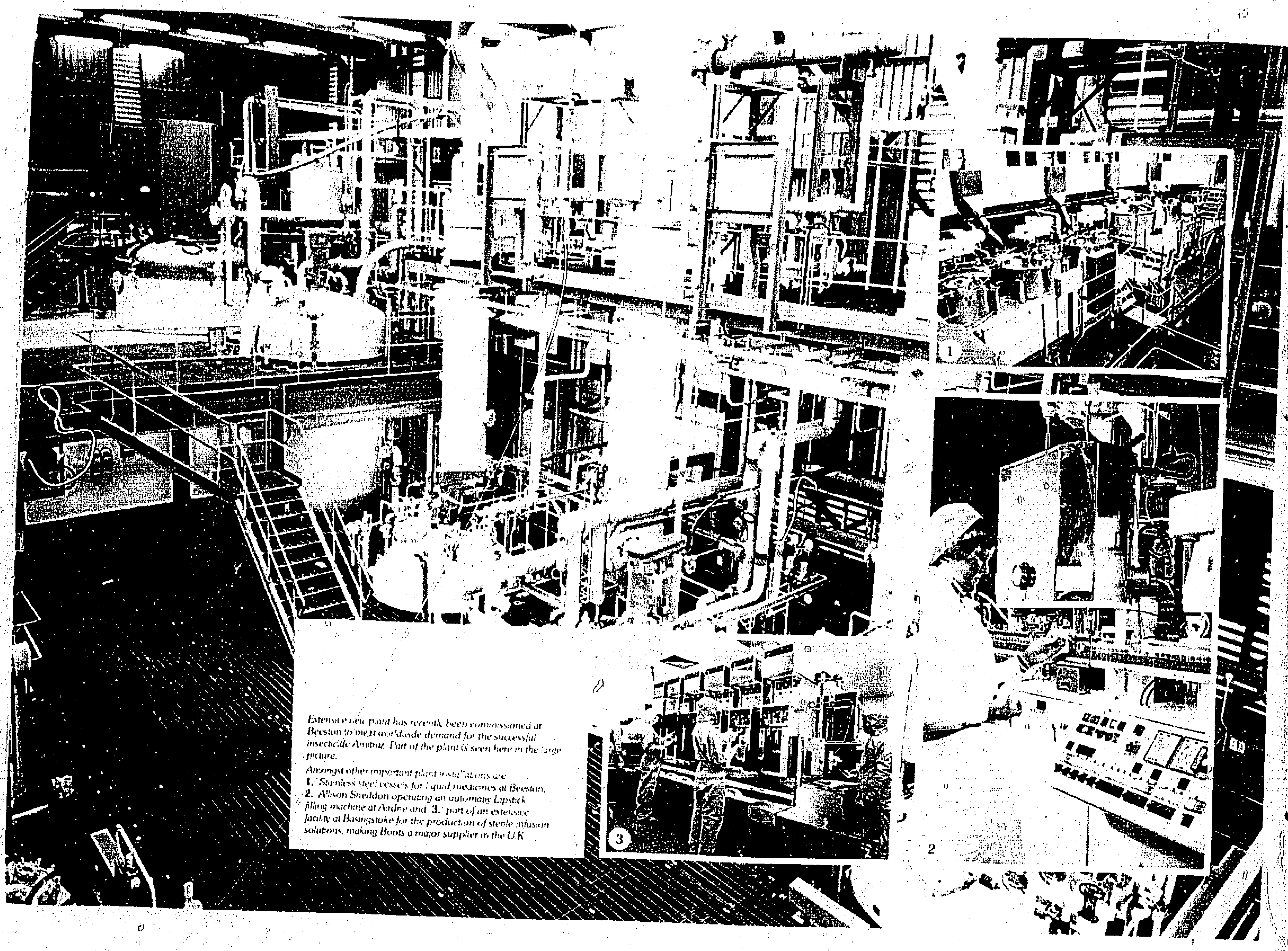
Pharmaceutical Marketing

It has been a difficult year for this part of our business. We are engaged in building up a greater representation in various parts of the world during a period of world economic recession, and in anticipation of new product registration—particularly our new product Froben. In addition, in all major countries there is a tight control of prices in the pharmaceutical sector and this, combined with cost increases, continues to erode profit margins. Despite these factors, overall United Kingdom and export sales increased by 15% and operating profits by 14%.

Throughout the world our major product, Brufen, encountered fierce competition from many new products which have entered the field. Froben has been successfully introduced into a number of important markets such as Eire, Switzerland, South Africa, Portugal and Japan.

With a sales increase of 32% we have had an excellent year for medical products in the United Kingdom. We have had a full year of Froben alongside Brufen and the Company now holds the largest share of the United Kingdom antirheumatic prescription market with these two major products.

Our antidepressant product, Prothiaden, has made good progress in the United Kingdom. The Hospital Sales Force marketing our Polyfusor and Steriflex range of intravenous



Extensive new plant has recently been commissioned at Beeston to meet worldwide demand for the successful insecticide Amtraz. Part of the plant is seen here in the large picture.

Amongst other important plant installations are
1. *Stainless steel vessels for liquid medicines at Beeston,*
2. *Alison Sneddon operating an automatic Lipstick filling machine at Airdrie and* **3.** *part of an extensive facility at Basingstoke for the production of sterile infusion solutions, making Boots a major supplier in the U.K*

Review of the Year–Industrial Division

fluids has had a successful year. We have broadened the range of specialised products available for hospitals into the areas of nutritional disorders and kidney dialysis, providing a higher standard of health care in this extremely important sector.

Our consumer products marketing company, Crookes Anestan, has made good progress this year in the United Kingdom with a sales increase of 21% and an operating profit increase of 25%, and we aim to build up this business both at home and overseas.

Contract Manufacture and Chemical Marketing had a poor year with static sales and a decrease in operating profit of 28% caused by a depressed world market for chemical raw materials.

Our pharmaceutical exports to Europe have shown growth of 16% with Brufen 400 making significant contributions in many markets but especially in Denmark and Austria. Froben has been successfully marketed in Switzerland and Portugal. In July last year we opened The Boots Company (Ireland) Limited to market and distribute pharmaceutical products in Eire. In February 1979 we acquired a 50% share in Laboratorios Liade S.A., a major Spanish pharmaceutical company which we believe has the strengths and skills with which to penetrate the Spanish market with our research products.

Our American subsidiary company, formerly Rucker Pharmacal and now Boots Pharmaceuticals Inc., is being enlarged in preparation for the introduction of Rufen (Brufen) into the United States, but we do not anticipate early registration. During the year production, warehousing and office facilities were expanded and the sales force is being increased. The coming year will be one of major investment for Boots Pharmaceuticals Inc. without corresponding profit returns until we can launch new products nationally with our new sales force. We believe this is the correct strategy for this new acquisition.

In the African continent we had a very poor export year mainly due to serious economic problems in Nigeria, which were met by severe increases in import duties levied by the Nigerian Government with a resulting down-turn in local sales and profits which at the year end were static when compared with the previous year. Nigeria had been for many years one of our best export markets, but in the year under review our exports were down by 32%. In Nigeria we have been obliged to comply with a Government decree further to reduce our share of equity in The Boots Company (Nigeria) Ltd. to 40%. At the same time it has been necessary for us to set up local manufacture. In other companies in Africa it has been a difficult year also.

In the Middle East we obtained good business from Iraq and Libya and we have taken steps to strengthen our management team based in Amman, Jordan, in an effort to expand our business. In Pakistan our local company had an excellent year and continued to progress. Events in Iran, which have been widely reported, have adversely affected our exports to that country. In spite of a difficult economic situation in Turkey we have continued to expand our exports.

In India and Bangladesh we have made progress although new legislation in India threatens the growth of foreign companies under the Indian Government's new Drug Policy.

Our Australian Company had a good year with pharmaceuticals and agrochemicals, and we strengthened our consumer product business by the acquisition of a number of proprietary products from William H. Rorer of the United States.

Our companies in France, the Far East and New Zealand all had satisfactory results. In Thailand Brufen continued to perform well and a factory, being built for local manufacture, is nearing completion outside Bangkok.

One of our major world export markets is Japan where we have successfully worked with Kakenyaku Kako Co. Ltd. to market Brufen. Throughout the year we have suffered fierce competition from other brands of ibuprofen. We believe these products are being manufactured by methods which contravene our patents and we took action through the Japanese courts. We have recently reached a settlement with two companies on this matter and we shall continue vigorously to protect our patents in Japan and elsewhere. Nevertheless our exports to Japan were greatly affected during the year. Froben has now been launched in Japan following registration, but this was later than we had anticipated.

Agrochemical Marketing

Agrochemical Marketing as a whole (United Kingdom and exports) had a sales increase of 20% during a difficult year, but lower margins have prevented a similar increase in profit.

The most important event of the year was the formation on 1st March 1979 of a joint venture with Hercules Inc. in the U.S.A. The new partnership—Boots Hercules Agrochemicals Co.—in which Boots have a 60% share, has taken over Hercules' existing business in agrochemicals. This not only significantly increases the size of our agrochemical operations world-wide, but gives us a very valuable base in the United States for the future development and marketing of our research-based products.

Agrochemical export sales were only 4% ahead of last year and expected growth suffered from a number of external factors. Political disturbances in Nicaragua, Iran and several Central African markets, together with severe shortages of foreign currency in these countries and also in Turkey and Eastern Europe, have reduced sales.

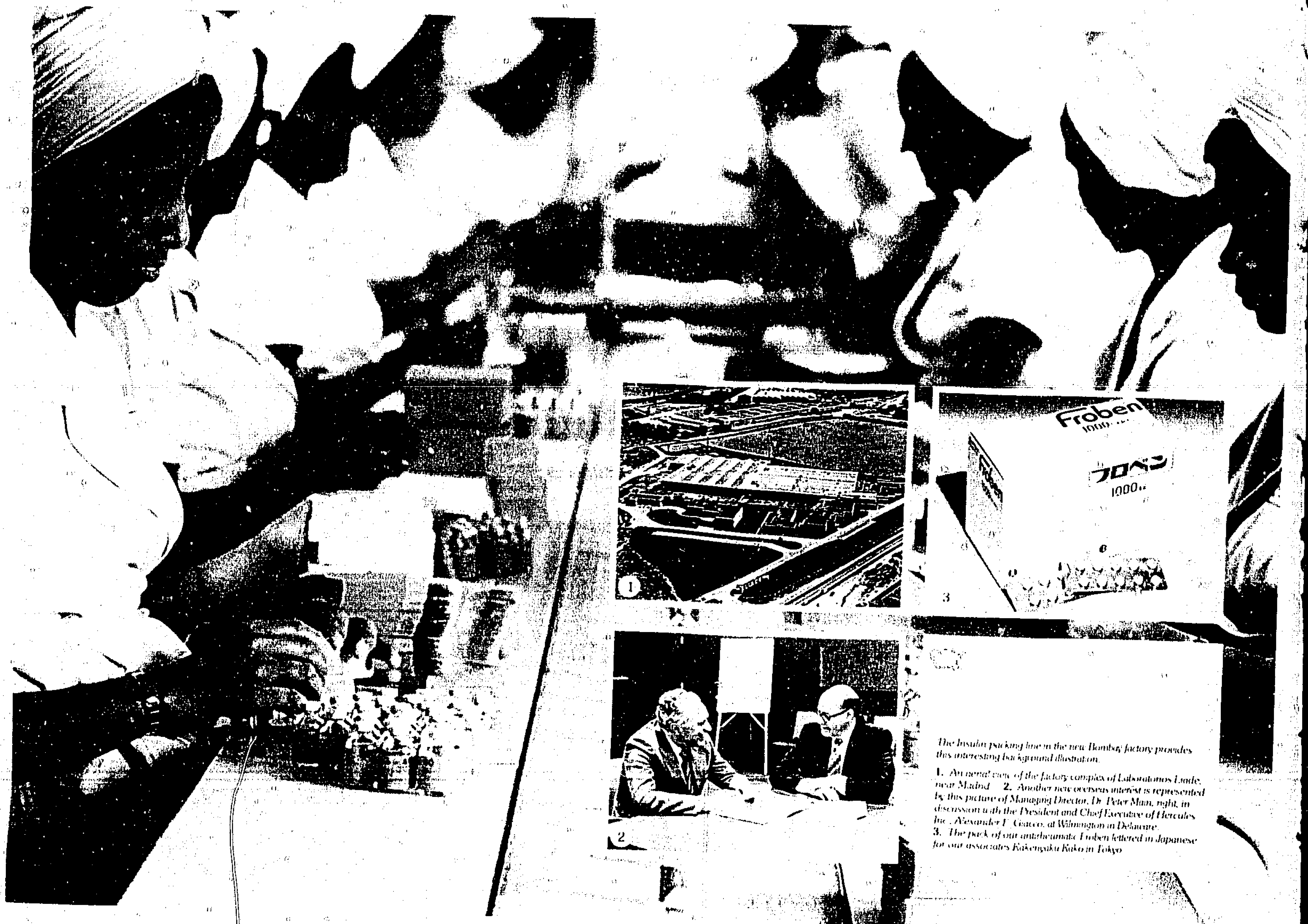
Mitac increased its market share, especially in the top fruit markets of the world, and was successfully launched in France last year. Entry to several large cotton markets has been delayed awaiting registration clearance and we are particularly concerned about the continuing delays in the United States not only for cotton but also for use on other crops.

Taktic for the treatment of cattle tick infestation has shown significant growth and we have now secured important shares of the Australian, African and South American markets.

In the United Kingdom, Boots Farm Sales has progressed well during the year, with a sales increase of 27% despite one of the worst years for weather in living memory. However, fierce competition and a change in merchandise mix have severely restricted profit growth. The programme to relocate our Boots Farm Sales distribution facilities has continued and 20 out of 27 depots now occupy modern premises with mechanical handling of products. The hire fleet of applicational equipment, particularly sprayers, has remained in great demand and all staff are demonstrating an increasing professionalism. These factors, coupled with the new legislative and voluntary requirements for the storage and marketing of agrochemicals will ensure that Boots Farm Sales is in a strong position to improve its market share in the future.

Staff

The Division had a difficult year, but the Industrial Divisional Board wishes to place on record its thanks to all members of staff both at home and overseas for their hard work and loyalty.



The Insulin packing line in the new Bombay factory provides this interesting background illustration.

1. An aerial view of the factory complex of Laboratorios Liade, near Madrid **2.** Another new overseas interest is represented by this picture of Managing Director, Dr Peter Main, right, in discussion with the President and Chief Executive of Hercules Inc., Alexander F. Giacco, at Wilmington in Delaware.
3. The pack of our antirheumatic Froben lettered in Japanese for our associates Kakenyaku Kako in Tokyo.

Group Profit and Loss Account for the year ended 31st March 1979

	Notes	1979 £m	1978 £m
Sales		**1053·0**	883·8
Trading profit	2	**109·8**	102·9
Income from short term investments		**9·1**	7·0
Interest paid	3	**(3·6)**	(2·3)
Exchange loss on net current assets of overseas subsidiaries		**(2·3)**	(·6)
Profit before taxation		**113·0**	107·0
Taxation	4	**35·6**	33·3
Profit after taxation		**77·4**	73·7
Attributable to minority interests		**·5**	·7
Profit attributable to shareholders before extraordinary item		**76·9**	73·0
Extraordinary item	5	**·3**	—
Profit attributable to shareholders after extraordinary item		**76·6**	73·0
Dividends			
Excess provision relating to 1977 third interim		**—**	(·1)
Interim paid of 2·5p per share		**8·9**	3·8
Final proposed of 3·5p per share (1978 second and third interim)		**12·5**	6·9
6·0p per share			
Profit retained	6	**55·2**	62·4
Earnings per share	7	**21·6p**	20·5p

The notes on pages 21 to 26 form part of the accounts. A statement of movements of reserves, including prior year adjustments reflecting changes in accounting policies particularly as regards deferred taxation, is shown in note 9 on page 23.

Sources and Applications of Funds for the year ended 31st March 1979

		1979 £m	1979 £m	1978 £m	1978 £m
Sources	Profit before taxation		113·0		107·0
	Depreciation		13·3		12·7
	Book value of fixed assets sold		4·4		2·5
	Disposal of subsidiaries (note a)		1·8		—
	Extraordinary item		(·3)		—
			132·2		122·2
	Issue of ordinary shares		1·6		—
	Borrowed money		38·9		25·3
			172·7		147·5
Applications	Capital expenditure		56·2		40·1
	Investments:				
	Subsidiaries (note b)	7·0		25·3	
	Associated companies	10·4		—	
	Partnership	6·7		—	
			24·1		25·3
	Working capital:				
	Increase in stocks	47·9		24·9	
	Increase in debtors	7·7		8·2	
	Increase in creditors	(26·1)		(11·1)	
			29·5		22·0
	Repayment of borrowed money		14·9		·1
	Payment to Boots Pension Fund		1·7		1·6
	Dividends paid		15·8		10·0
	Taxation paid		34·0		26·3
	Other applications		1·2		·2
			177·4		125·6
Decrease (1978 increase) in net cash and short term investments			(4·7)		21·9
			172·7		147·5

Note (a) Disposal of subsidiaries comprises fixed assets £0·2m and net working capital £2·6m less minority interests £1·0m.

(b) Investment in new subsidiaries comprises fixed assets £1·0m, goodwill £1·8m and net working capital £4·2m.

Balance Sheets 31st March 1979

		Notes	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
Sources of capital	**Shareholders' interests**					
	Share capital	8	**89·2**	89·0	**89·2**	89·0
	Reserves	9	**320·8**	260·0	**199·4**	152·4
			410·0	349·0	**288·6**	241·4
	Borrowed money	10	**54·8**	34·8	**38·6**	24·1
	Minority interests		**2·5**	3·5	—	—
	Provision for pensions	11	**6·0**	7·7	**5·5**	7·2
			473·3	395·0	**332·7**	272·7
Employment of capital	Fixed assets	12	**266·2**	224·0	**73·7**	52·0
	Subsidiaries	13	—	—	**148·5**	115·8
	Investments	14	**17·8**	1·0	**10·0**	1·0
	Deferred taxation	15	**4·5**	7·2	**4·4**	7·1
	Net current assets	16	**184·8**	162·8	**96·1**	96·8
			473·3	395·0	**332·7**	272·7

G. I. HOBDAY
D. E. M. APPLEBY | Directors

The notes on pages 21 to 26 form part of the accounts

Notes relating to the Accounts

1. Accounting policies

Consolidation

The group accounts are prepared under the historical cost convention adjusted by the revaluations of certain properties. The accounts combine the results of the company and its subsidiary companies for the period of, and to the extent of, group ownership, after eliminating inter-group profits and providing for minority interests in subsidiaries. The excess of cost of investments in subsidiaries over net assets acquired has been written off to reserves. In respect of associates the group share of reserves is added to the cost of the investment. Subsidiary companies are those in which the company holds either directly or through another subsidiary, more than fifty per cent of the equity share capital. Associated companies are those, not being subsidiaries, in which the group both holds substantial interests and exercises significant influence on policy making.

The accounts of all UK subsidiaries are made up to 31st March 1979, whereas the accounts of overseas subsidiaries and associates are made up to 31st December 1978 as adjusted for any abnormal transactions in the intervening period, in order to facilitate early presentation of group accounts. The accounts of overseas companies are converted into sterling at rates of exchange approximating to those ruling at 31st March 1979.

In respect of overseas subsidiaries profits and losses arising on conversion of net current assets are included in profit before taxation and where they relate to fixed assets less foreign currency loans, are dealt with through reserves.

Sales

These comprise sales to external customers and exclude value added tax.

Depreciation

Depreciation is calculated to write off assets by equal instalments during their expected normal lives. The maximum life assumed for freehold buildings is eighty years, and the lives assumed for fixtures and plant vary between three and twenty years. Prior to 1st April 1978 plant, including vehicles, was depreciated by fixed percentages of residual book values.

Accumulated depreciation at 31st March 1978 has been restated following a revision of expected normal lives and the adjustments dealt with through reserves. The treatment of accumulated depreciation is not in accordance with Statement of Standard Accounting Practice No. 12 as its recommendation was considered to be impracticable for the group. As the change is not significant in relation to group profits no revision has been made to the 1978 depreciation charge.

Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises purchase cost of goods, direct labour and those overheads related to manufacture and distribution based on normal activity levels.

Research and development

Expenditure, other than on buildings and plant, is charged against profits in the year in which it is incurred.

Pension funding

The company and its UK subsidiaries operate a pension scheme under which contributions by employees and by the companies are held in a trustee administered fund separated from the companies' finances. Actuarial valuations of the fund are conducted at three-year intervals including a review of contribution rates.

Certain overseas companies operate their own pension schemes.

Deferred taxation

From 1st April 1978 no provision has been made in respect of timing differences arising from accelerated capital allowances, stock appreciation relief, and other timing differences to the extent that such liabilities are not expected to become payable for a considerable period. Future tax recoveries relating to advance corporation tax and short term timing differences are anticipated to the extent that such recoveries are regarded as certain. The potential liability to deferred taxation previously provided in full, has been noted. Comparative figures have been amended and adjustments dealt with through reserves.

No provision has been made for taxation liabilities which would arise on the distribution of profits retained by overseas subsidiaries.

Notes relating to the Accounts

	1979 £m	1978 £m
2. Trading profit is after charging:		
Depreciation	**13·3**	12·7
Profit earning bonus for staff	**9·6**	8·7
Computer and plant hire	**2·2**	1·5
Remuneration of auditors	**·2**	·2

	1979 £m	1978 £m
3. Interest paid:		
On borrowed money:		
Repayable within five years	**2·0**	1·4
Not repayable within five years	**1·2**	·6
Bank and other short term interest	**·4**	·3
	3·6	2·3

		1979 £m		1978 £m
4. Taxation				
The charge on the profit of the year consists of:				
UK corporation tax at 52%	**26·9**		32·9	
Overprovision—prior year	**—**		(6·0)	
		26·9		26·9
Relief for overseas taxation		**(3·2)**		(3·2)
Deferred taxation	**5·6**		1·1	
Underprovision—prior year	**—**		2·6	
		5·6		3·7
Total UK taxation		**29·3**		27·4
Overseas taxation		**6·3**		5·9
		35·6		33·3
No provision has been made in the taxation charge for:				
Accelerated capital allowances		**15·4**		9·2
Stock appreciation relief		**11·3**		12·1
Other timing differences		**·7**		1·4
		27·4		22·7

5. Extraordinary item

The group's interest in its Nigerian company was reduced from 60% to 40% in December 1978 to comply with Nigerian government requirements and the investment is included in the balance sheet at 31st March 1979 as an associated company. Since the company was a subsidiary for virtually the whole of 1978 the results for that year are consolidated in the group profit and loss account and the loss of £0·3m arising on the disposal of the part interest is shown as an extraordinary item.

	1979 £m	1978 £m
6. Profit retained by parent company		
Attributable to shareholders after extraordinary item	**76·6**	73·0
Deduct profit retained by subsidiaries	**12·7**	16·5
Profit of parent company	**63·9**	56·5
Deduct dividends	**21·4**	10·6
Retained by parent company	**42·5**	45·9

7. Earnings per share

The calculation of earnings per share is based on earnings of £76·9m before extraordinary item (1978 £73·0m) and 356·2m average ordinary shares in issue, weighted on a time basis.

The effect on earnings per share of full conversion of outstanding convertible US dollar bonds (and the exercise of outstanding options by employees) into ordinary shares of the company would not be material.

	1979 £m	1978 £m
8. Share capital		
Ordinary shares of 25p each:		
Authorised	**100·0**	100·0
Issued and fully paid	**89·2**	89·0

Under the terms of the savings-related share option scheme, approved by shareholders in July 1977, options may be granted enabling employees with over five years' service to subscribe for an aggregate of 10m ordinary shares of the company at approximately 90% of market price. So far, options exercisable from 1983 to 1986 at between 178p and 200p per share have been granted in respect of 668,695 shares.

Under the terms of the 30m 6¾% convertible US dollar bonds issued on 1st August 1978 bonds may be converted into ordinary shares of the company on or after 1st February 1979 at a fixed price of 216p. A full exercise of conversion rights would require the issue of approximately 7·3m shares. At 31st March 1979 794,118 shares have been issued in respect of US $3·2m bonds converted. Between 31st March 1979 and 23rd May 1979 (the last practicable date before publishing these accounts) $9·5m 6¾% convertible US dollar bonds were converted into ordinary shares of the company, resulting in an increase of £0·6m in share capital and £4·0m in share premium which forms part of reserves, and a reduction in borrowed money of £4·6m.

	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
9. Reserves				
At 31st March 1978	**260·0**	152·5	**152·4**	80·3
Prior year adjustments	**3·7**	58·6	**3·6**	26·2
	263·7	211·1	**156·0**	106·5
Profit retained	**55·2**	62·4	**42·5**	45·9
Goodwill arising on acquisitions	**(1·8)**	(15·0)	—	—
Currency adjustments	**2·8**	1·5	—	—
Share premiums on bond conversion	**1·4**	—	**1·4**	—
Bond and issue expenses	**(·5)**	—	**(·5)**	—
At 31st March 1979	**320·8**	260·0	**199·4**	152·4

Prior year adjustments arise from changes in accounting policies relating to deferred taxation (group £58·6m : parent £26·2m) and depreciation on plant including vehicles (group £3·7m : parent £3·6m). Reserves at 31st March 1979 include share premiums of £0·9m representing premiums on bond conversions less bond and issue expenses.

	Repayment dates	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
10. Borrowed money					
Secured loans:					
3¼% stock	1982	**1·0**	1·0	—	—
8½% stock	1973/82	**·2**	·3	—	—
Unsecured loans:					
6% stock	1978/83	**2·1**	2·1	**2·1**	2·1
6¼% stock	1983/88	**·8**	·9	—	—
7¾% stock	1988/93	**5·7**	5·7	**5·7**	5·7
8% stock	1986/91	**1·4**	1·4	—	—
6¾% convertible US dollar bonds	1993	**12·9**	—	**12·9**	—
Foreign currency	1979/83	**30·7**	23·4	**17·9**	16·3
		54·8	34·8	**38·6**	24·1

(a) All loans are repayable at par, except the 8% stock, which is repayable at £105 per cent.

(b) The 6¼% and 8% stocks are redeemable by yearly sinking funds.

(c) Foreign currency loans repayable in 1979 will be refinanced.

	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
11. Provision for pensions				
At 31st March 1978	**7·7**	8·8	**7·2**	8·8
Subsidiary acquired	—	·5	—	—
Payment to Boots Pension Fund	**(1·7)**	(1·6)	**(1·7)**	(1·6)
At 31st March 1979	**6·0**	7·7	**5·5**	7·2

Notes relating to the Accounts

12. Fixed assets

		Group Property £m	Group Fixtures and plant £m	Group Total £m	Parent Property £m	Parent Fixtures and plant £m	Parent Total £m
Cost or valuation	At 1st April 1978	159·0	141·8	300·8	27·5	53·6	81·1
	Capital expenditure	17·8	38·4	56·2	2·7	17·6	20·3
	Subsidiaries acquired	·4	·8	1·2	—	—	—
	Disposals	(3·4)	(5·0)	(8·4)	—	(1·6)	(1·6)
	Transfers and adjustments	(·6)	(·7)	(1·3)	·6	3·4	4·0
	At 31st March 1979	173·2	175·3	348·5	30·8	73·0	103·8
	Cost	129·3	175·3	304·6	20·1	73·0	93·1
	Independent valuation 1958	9·6	—	9·6	9·6	—	9·6
	1959	1·1	—	1·1	—	—	—
	1965	32·1	—	32·1	—	—	—
	Directors' valuation 1971	1·1	—	1·1	1·1	—	1·1
		173·2	175·3	348·5	30·8	73·0	103·8
Depreciation	At 1st April 1978	22·3	54·5	76·8	7·4	21·7	29·1
	Prior year adjustments	(·1)	(3·6)	(3·7)	(·1)	(3·5)	(3·6)
		22·2	50·9	73·1	7·3	18·2	25·5
	Depreciation for year	3·1	10·2	13·3	·7	4·0	4·7
	Subsidiaries acquired	—	·2	·2	—	—	—
	Disposals	(·6)	(3·2)	(3·8)	—	(·9)	(·9)
	Transfers and adjustments	(·1)	(·4)	(·5)	·2	·6	·8
	At 31st March 1979	24·6	57·7	82·3	8·2	21·9	30·1
Net book value at 31st March 1979		148·6	117·6	266·2	22·6	51·1	73·7

The tenure of properties is as follows:

	Group Freehold land £m	Group Freehold buildings £m	Group Long lease £m	Group Short lease £m	Group Total £m	Parent Freehold land £m	Parent Freehold buildings £m	Parent Long lease £m	Parent Short lease £m	Parent Total £m
Cost or valuation	28·0	94·1	22·4	28·7	173·2	1·4	25·2	2·7	1·5	30·8
Depreciation	—	15·6	2·5	6·5	24·6	—	7·5	·3	·4	8·2
Net book value	28·0	78·5	19·9	22·2	148·6	1·4	17·7	2·4	1·1	22·6

13. Subsidiaries

	1979 £m	1978 £m
(a) Investments:		
At book value of net assets at acquisition	**15·3**	15·3
At cost less provision	**28·7**	29·6
	44·0	44·9
(b) Loans:		
Due to parent	**10·1**	10·3
Due to subsidiaries	**(·1)**	(·1)
Current accounts:		
Due to parent	**112·0**	69·4
Due to subsidiaries	**(17·5)**	(8·7)
	104·5	70·9
	148·5	115·8

(c) Investments in overseas subsidiaries are stated at local currency cost converted into sterling at the exchange rates ruling on 31st March 1979.

(d) The list of principal subsidiaries shown on page 30 forms part of this note.

14. Investments

	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
(a) Partnership at cost	**6·5**	—	—	—
(b) Associated companies:				
Shares at cost	**9·0**	—	**9·0**	—
Group share of reserves	**1·3**	—	—	—
(c) Listed:				
Holding in Kakenyaku Kako in Japan at cost. Market value on Tokyo Stock Exchange—£5·3m (1978 £2·8m).	**1·0**	1·0	**1·0**	1·0
	17·8	1·0	**10·0**	1·0

(d) Overseas investments are stated at local currency cost converted into sterling at the exchange rates ruling on 31st March 1979.

(e) The list of principal companies shown on page 30 forms part of this note.

15. Deferred taxation

	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
Advance corporation tax	**6·2**	3·4	**6·2**	3·4
Tax on short term timing differences	**3·3**	3·8	**3·0**	3·7
Stock appreciation relief	**(5·0)**	—	**(4·8)**	—
	4·5	7·2	**4·4**	7·1

Details of deferred taxation not provided are shown in note 18.

16. Net current assets

	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
Stocks	**227·5**	177·5	**116·4**	89·7
Debtors	**66·8**	60·8	**45·9**	39·6
Cash and short term investments	**98·8**	103·4	**85·1**	88·3
	393·1	341·7	**247·4**	217·6
Creditors	**138·2**	111·4	**101·1**	82·3
Bank overdrafts	**26·0**	26·6	**22·5**	24·4
Taxation	**31·6**	34·0	**15·2**	7·2
Dividends	**12·5**	6·9	**12·5**	6·9
	208·3	178·9	**151·3**	120·8
	184·8	162·8	**96·1**	96·8

Overdrafts of certain overseas subsidiaries amounting to £0·8m at 31st December 1978 (1977 £0·6m) were secured on the assets of those subsidiaries.

	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
Stocks comprise:				
Manufacturing: Raw materials	**17·5**	16·7	**13·5**	12·4
Work in progress and finished goods	**32·8**	25·7	**21·7**	18·2
	50·3	42·4	**35·2**	30·6
Retailing	**177·2**	135·1	**81·2**	59·1
	227·5	177·5	**116·4**	89·7
Cash and short term investments comprise:				
Short term deposits	**84·2**	98·7	**74·8**	88·1
Listed investments at cost (market value £10·1m)	**9·9**	—	**9·9**	—
Cash	**4·7**	4·7	**·4**	·2
	98·8	103·4	**85·1**	88·3

Notes relating to the Accounts

	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
17. Commitments				
Future capital expenditure approved by the directors and not provided for in these accounts is as follows:				
Contracts placed	**42·3**	28·9	**9·7**	11·0
Contracts not placed	**8·5**	17·2	**·3**	1·1
	50·8	46·1	**10·0**	12·1

	Group 1979 £m	Group 1978 £m	Parent 1979 £m	Parent 1978 £m
18. Contingent liabilities				
(a) The potential amounts of deferred taxation liabilities not provided in these accounts are as follows:				
Accelerated capital allowances	**58·7**	43·3	**30·2**	19·0
Stock appreciation relief	**48·3**	37·0	**32·8**	26·0
Capital gains taxation rolled over	**3·4**	2·7	**·1**	·1
Other items	**(1·7)**	(1·7)	**(1·7)**	(1·7)
	108·7	81·3	**61·4**	43·4

(b) *Certain overseas subsidiaries had discounted bills of exchange at 31st December 1978* amounting to £0·3m (1977 £0·4m).

(c) The parent company has guaranteed the bank overdrafts of certain subsidiaries to a total of £0·7m at 31st March 1979 (1978 £0·8m) and has a liability of £0·5m (1978 £1·4m) for uncalled capital in subsidiaries.

19. Remuneration of directors and senior UK employees

(a) The total remuneration of the directors of the parent company consists of fees £27,000 (1978 £24,000) and other remuneration £438,000 (1978 £364,000).

(b) The remuneration of the chairman was £31,000 (1978 £32,000) and of the highest paid director was £45,000 (1978 £42,000) excluding pension contributions.

(c) An analysis of remuneration (excluding pension contributions) of directors and UK employees earning over £10,000 in the year is shown below. The table also shows estimated take-home pay calculated at the higher end of each salary band assuming the recipient was married with no other income or allowances.

	Tax £	Take-home pay £	Numbers 1979	Numbers 1978
Directors:				
£42,501 – 45,000	29,000	16,000	**2**	—
£40,001 – 42,500	26,900	15,600	—	2
£35,001 – 37,500	22,800	14,700	**1**	—
£30,001 – 32,500	18,600	13,900	**2**	1
£27,501 – 30,000	16,500	13,500	—	2
£25,001 – 27,500	14,500	13,000	**3**	—
£20,001 – 22,500	10,600	11,900	—	4
£17,501 – 20,000	8,700	11,300	**1**	—
£2,501 – 5,000			**4**	4
Employees:				
£22,501 – 25,000	12,400	12,600	**4**	—
£20,001 – 22,500	10,600	11,900	**10**	3
£17,501 – 20,000	8,700	11,300	**39**	12
£15,001 – 17,500	6,900	10,600	**29**	45
£12,501 – 15,000	5,300	9,700	**74**	27
£10,001 – 12,500	3,900	8,600	**320**	126

Report of the Auditors
to the members of
The Boots Company Ltd.

We have examined the accounts set out on pages 18 to 26 which have been prepared on the basis of the accounting policies set out on page 21.

In our opinion they give a true and fair view of the state of affairs of the company and of the group at 31st March 1979 and of the profit and sources and applications of funds of the group for the year to that date and comply with the Companies Acts 1948 and 1967.

We have examined the current cost statements together with the notes thereon set out on pages 28 and 29. In our opinion the statements have been properly prepared in accordance with the methods described in the notes.

PEAT, MARWICK, MITCHELL & CO.
Chartered accountants, Birmingham and London

24th May 1979

Current Cost Statements 31st March 1979

		Notes	1979 £m	1979 £m	1978 £m	1978 £m
Group profit and loss statement	Sales			1053·0		883·8
	Profit before taxation as in historical cost accounts			113·0		107·0
	Adjustments					
	Depreciation	1	(11·6)		(10·9)	
	Cost of sales	2	(10·5)		(9·7)	
				(22·1)		(20·6)
	Operating profit			90·9		86·4
	Gearing adjustment	3		2·4		1·7
	Adjusted profit before taxation			93·3		88·1
	Taxation			35·6		33·3
	Profit after taxation			57·7		54·8
	Attributable to minority interests		·4		·6	
	Extraordinary item		·3		—	
				·7		·6
	Profit attributable to shareholders			57·0		54·2
	Dividends			21·4		10·6
	Adjusted retained profit			35·6		43·6
	Earnings per share			16·1p		15·2p
Group balance sheet	Shareholders' interests			687·4		593·3
	Borrowed money			54·8		34·8
	Minority interests			2·3		3·4
	Provision for pensions			6·0		7·7
				750·5		639·2
	Fixed assets			540·8		466·2
	Investments			17·8		1·0
	Deferred taxation			4·5		7·2
	Net current assets			187·4		164·8
				750·5		639·2

Group Financial Record

	£m	1979 Industrial Division	1979 Retail Division	1978 Industrial Division	1978 Retail Division	1977 Industrial Division	1977 Retail Division	1976 Industrial Division	1976 Retail Division	1975 Industrial Division	1975 Retail Division
Sales	UK and exports	**178·0**	**858·5**	155·4	743·0	128·9	628·4	108·8	528·2	86·6	435·9
	Overseas	**60·2**	**48·5**	52·6	14·2	42·3	1·7	31·8	1·2	23·9	1·2
	Intra-group	**(92·2)**	—	(81·4)	—	(66·3)	—	(58·8)	—	(44·8)	—
		146·0	**907·0**	126·6	757·2	104·9	630·1	81·8	529·4	65·7	437·1
	Total	**1053·0**		883·8		735·0		611·2		502·8	
Profits	Trading profit— UK and exports	**30·2**	**69·1**	31·2	60·3	29·7	54·9	25·2	45·7	18·1	39·7
	Overseas	**11·0**	**(1·8)**	9·1	(·1)	9·5	—	6·0	·1	3·8	—
		41·2	**67·3**	40·3	60·2	39·2	54·9	31·2	45·8	21·9	39·7
	Interest and other net income	**4·5**		6·5		(3·0)		(4·8)		4·1	
	Profit before taxation	**113·0**		107·0		91·1		72·2		65·7	
	Taxation	**35·6**		33·3		28·7		25·5		24·4	
	Profit after taxation	**77·4**		73·7		62·4		46·7		41·3	
	Minority interests/extraordinary items	**·8**		·7		·8		·6		·3	
	Dividends	**21·4**		10·6		9·7		8·7		8·0	
Funds retained	*Profit retained*	**55·2**		62·4		51·9		37·4		33·0	
	Depreciation	**13·3**		12·7		10·5		8·7		7·3	
Capital expenditure		**20·0**	**36·2**	14·9	25·2	9·2	27·8	7·6	24·8	7·3	28·4
Sources of capital	Share capital and reserves	**410·0**		349·0		300·1		248·2		207·7	
	Borrowed money	**54·8**		34·8		11·6		11·7		11·8	
	Other sources	**8·5**		11·2		10·7		10·0		·8	
		473·3		395·0		322·4		269·9		220·3	
Employment of Capital	Fixed assets	**266·2**		224·0		194·4		169·8		148·1	
	Investments	**17·8**		1·0		1·0		·8		—	
	Deferred taxation	**4·5**		7·2		10·8		8·3		2·8	
	Net current assets	**184·8**		162·8		116·2		91·0		69·4	
		473·3		395·0		322·4		269·9		220·3	
Other statistics	Earnings per share	**21·6p**		20·5p		17·3p		12·9p		11·5p	
	Dividend per share (including tax credit) adjusted for capitalisation issues	**9·0p**		4·6p		4·1p		[illegible]·8p		3·4p	
	Profit after taxation as % of capital employed (note 1)	**16·4**		18·7		19·4		17·3		18·7	

Notes

1. The book value of the group's property which amounts to 31% of the capital employed is, in the opinion of the directors, substantially below its current value.
2. This table has been revised to reflect the change in deferred taxation policy in 1979. No retrospective amendments have been made in respect of changes in policy regarding depreciation (1979) and stocks (1977).

Notes relating to the Current Cost Statements

1. **Depreciation**
   The depreciation adjustment represents the additional charge against profits as a result of depreciating fixed assets on estimated current cost rather than on historical cost. It has been calculated by applying the appropriate industry indices, prepared by the Central Statistical Office, to the depreciation charge on retail and industrial fittings and plant. Depreciation on buildings has been recalculated using indices of construction costs. Asset lives have not been reassessed.

2. **Cost of sales**
   The cost of sales adjustment represents the difference between the historical manufacturing or purchase cost and the estimated current cost of those goods at the date of sale as derived from the group's costing systems.

3. **Gearing adjustment**
   This reduces the depreciation and cost of sales adjustments by the proportion of finance provided other than as shareholders' funds. These funds have been increased by the revaluation of fixed assets and stock.

   Land has been revalued using an index constructed by professional valuers within the company. Other fixed assets and stock have been revalued using the same methods as for depreciation and cost of sales adjustments.

4. **Overseas companies**
   Overseas subsidiaries have generally calculated their adjustments using local indices or information available from their own costing systems.

Principal Companies

		Company	Percentage held by Parent	Percentage held by Subsidiaries	Principal activities
Parent		The Boots Company Ltd.			Manufacturers and wholesale distributors of pharmaceuticals, drugs, fine chemicals and toilet preparations
Subsidiaries (incorporated in Great Britain)		Boots The Chemists Ltd.	100		Retail chemists
		Boots Pure Drug Co. Ltd.	100		Management company
		Boots International Ltd.	100		Management company
		Boots Farm Sales Ltd.	100		Agricultural and veterinary suppliers
		Timothy Whites Ltd.	100		Retail houseware
		Whites Property Co. Ltd.		100	Property holding
		The Crookes Laboratories Group Ltd.	100		Manufacturing of pharmaceuticals
		Crookes Anestan Ltd.	100		Wholesale chemists
Subsidiaries (incorporated overseas)	Australia	The Boots Company (Australia) Pty. Ltd.	100		Manufacturing and wholesale chemists
	Belgium	The Boots Company (Belgium) S.A.		100	Wholesale chemists
	Canada	Boots Drug Stores (Canada) Ltd.		100	Retail chemists
		Boots Drug Stores (Western) Ltd.		*100*	*Wholesale* and retail chemists
	France	Laboratoires Dacour, S.A.	92·5		Manufacturing and wholesale chemists
		Beauté Hygiène et Soins, S.A.	70		Retailing of cosmetics and toiletries
	Holland	The Boots Company (Holland) B.V.	100		Wholesale chemists
	India	The Boots Company (India) Ltd.	53		Manufacturing and wholesale chemists
	Ireland	The Boots Company (Ireland) Ltd.	100		Wholesale chemists
	Italy	Boots-Formenti S.p.A.	55		Wholesale chemists
	Kenya	The Boots Company (Kenya) Ltd.		100	Manufacturing and wholesale chemists
	New Zealand	Boots The Chemists (New Zealand) Ltd.	100		Wholesale and retail chemists
	Pakistan	The Boots Company (Pakistan) Ltd.	56·5		Manufacturing and wholesale chemists
	Singapore	The Boots Company (Far East) Pte. Ltd.	100		Wholesale chemists
	South Africa	The Boots Company (South Africa) (Pty.) Ltd.	100		Manufacturing and wholesale chemists
	Tanzania	K.O.C. (Tanzania) Ltd.		100	Manufacturing and wholesale chemists
	Thailand	The Boots Company (Thailand) Ltd.	100		Wholesale chemists
	U.S.A.	Boots Pharmaceuticals Inc.		100	Manufacturing and wholesale chemists
		Boots Hercules Agrochemicals Co. (partnership)		60	Wholesaling of agrochemicals
	West Germany	Technochemie GmbH Verfahrenstechnik	70		Manufacturing and wholesale chemists
Associated companies (incorporated overseas)	Nigeria	The Boots Company (Nigeria) Ltd.	40		Wholesale chemists
	Spain	Laboratorios Liade S.A.	50		Manufacturing and wholesale chemists

All the above shares held are ordinary shares. In addition the group owns 30·4% of the preferred shares in Boots Drug Stores (Canada) Ltd., and 100% of the preferred shares in Boots Drug Stores (Western) Ltd.

All the companies operate principally in the country of incorporation.

Directors' Shareholdings

This table sets out the interests of the directors and their families in the share and loan capital of the company (holdings at 1st April 1978 or at the date of appointment, are shown in brackets where they differ).

	Number of shares		Loan stock
	Beneficial interests	Otherwise held	Beneficially held
G. I. Hobday	24,000	—	£101
M. J. Verey	7,300	—	—
A. D. Spencer	2,500	—	—
D. E. M. Appleby	2,100 (4,000)	—	—
J. H. Arkell, C.B.E.	3,000	—	—
R. N. Gunn	2,174 (1,774)	— (400)	£23
H. J. Hann	5,000	—	—
B. Jefferies	5,686	—	£177
P. T. Main, M.D.	2,000 (1,774)	—	—
Lord Redmayne, P.C., D.S.O.	4,000	—	—
Sir Bernard Scott, C.B.E.	4,000	—	—
F. W. Wright, F.P.S.	800	—	—

Directors' holdings at 21st May 1979 are unchanged.

Shareholders

At 31st March 1979 the register of shareholders contained 105,892 accounts, of which over 65,500 had 1,000 or fewer shares.

About 300 accounts each held more than 100,000 shares. Almost all of these are insurance companies, pension funds and other institutional investors representing the interests of many thousands of people.

The directors are not aware that any person held 5% or more of the share capital of the company at 21st May 1979. The largest shareholding (by an insurance company) was under 3%.

Directors and Officers of Principal Subsidiaries

Boots The Chemists Ltd.

Chairman	A. D. Spencer		
Directors	K. Ackroyd, M.P.S.	L. W. Day, M.P.S.	J. P. Lewis, M.P.S.
	D. E. M. Appleby	D. N. Edmundson	A. B. McInnes, M.P.S.
	A. A. Binney	J. J. E. Fergusson, M.P.S.	M. Owens, M.P.S.
	S. R. Burdon, M.P.S.	M. Gibson	A. P. Ridley-Thompson
	D. Cargill	A. B. Groves	A. R. Ripley
	R. Clair, M.P.S.	R. N. Gunn	J. M. T. Ross, F.P.S.
	H. A. N. Clark	H. J. Hann	B. Silverman, M.P.S.
	R. G. Clow, M.P.S.	D. Happs, M.P.S.	G. R. Solway
	J. Craig, M.P.S.	G. M. Hourston, M.P.S.	B. H. C. Theobald
	J. G. Davies, M.P.S.	B. Jefferies	A. G. S. Wilkes
	T. K. W. Davies	K. Jervis, M.P.S.	F. W. Wright, F.P.S.
Secretary	K. R. Whitesides		

Timothy Whites Ltd.

Chairman	A. D. Spencer		
Directors	D. E. M. Appleby	R. N. Gunn	J. A. Prescott, M.P.S.
	E. A. Cleaver	H. J. Hann	C. D. Weston
	T. K. W. Davies	B. Jefferies	F. W. Wright, F.P.S.
Secretary	K. R. Whitesides		

Boots Pure Drug Co. Ltd.

Chairman	D. E. M. Appleby		
Directors	A. S. Beldas	S. A. Hibbert, M.P.S.	C. E. G. Scarth
	G. Buxton	B. Jefferies	A. D. Spencer
	J. B. Camell	S. A. B. Kipping	A. G. S. Wilkes
	E. E. Cliffe	P. T. Main, M.D.	J. H. Wilson
	A. H. Hawksworth	Miss J. M. Savage	
Secretary	I. A. Hawtin		

Boots International Ltd.

Chairman	D. E. M. Appleby		
Directors	S. S. Adams	J. W. Lewin	T. G. Richardson
	J. W. Buckler, M.B.	B. Lessel	K. T. Robinson
	B. Jefferies	P. T. Main, M.D.	A. D. Spencer
	R. A. Johnson	H. R. Malhotra	A. G. S. Wilkes
	I. F. Kent		
Secretary	I. A. Hawtin		

Boots Farm Sales Ltd.

Chairman	P. T. Main, M.D.		
Directors	D. J. Higgons	D. R. Knight	N. J. Reeves
	I. F. Kent	G. M. Rankin	
Secretary	I. A. Hawtin		

Financial Calendar

Dividend and interest payments

Ordinary dividends

Final 1978/79: Announced 24th May 1979. Payable 19th July 1979.

Interim 1979/80: Announced 15th November 1979. Payable 10th January 1980.

Final 1979/80: Proposed mid-May 1980. Payable mid-July 1980.

6% loan stock interest:
Paid 30th June, 30th September, 31st December and 31st March.

$6\frac{1}{4}$% loan stock interest:
Paid 1st September and 1st March.

$7\frac{3}{4}$% loan stock interest:
Paid 30th September and 31st March.

8% loan stock interest:
Paid 31st July and 31st January.

$6\frac{3}{4}$% bond interest:
Paid 1st August.

Results

For half-year: Announced 15th November 1979.

For the year: Announced mid-May 1980.

Report and accounts: Circulated mid-June 1980.

For capital gains tax purposes the market value of a Boots share on 6th April 1965 was 40p and of £100 6% loan stock was £90·$37\frac{1}{2}$.

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JUN 1979

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